

A. ANN ARBOR

1. OVERVIEW

City Location & History

Ann Arbor is located on the Huron River, 40.0 miles west of Detroit in the southeast region of Michigan's lower peninsula. It was settled in 1824, became the seat of Washtenaw County in 1827, and was chartered as a city in 1851. Ann Arbor's strategic location along the Huron River, the Territorial Road, and the Michigan Central Railroad transformed it into a major trading center. The most significant event in its history occurred in 1841 when the University of Michigan was relocated from Detroit to Ann Arbor. Today, the university has made Ann Arbor one of the highest-ranked communities in the nation for educational and medical facilities. Recently, Ann Arbor has gained prominence as a center for high-tech research and development firms. The arts are an integral component of the city, in part fueled by the university.

Ann Arbor is located at the intersection of Interstate 94 (Detroit east and Kalamazoo west) and U.S. Highway 23 (Flint north and Toledo south). In 2007 it was estimated that Ann Arbor had 112,861 people living in 46,071 households within 27.2 square miles.

Downtown Study Area Delineation & Boundaries

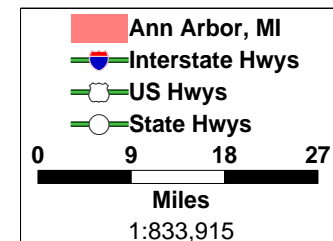
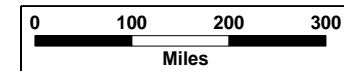
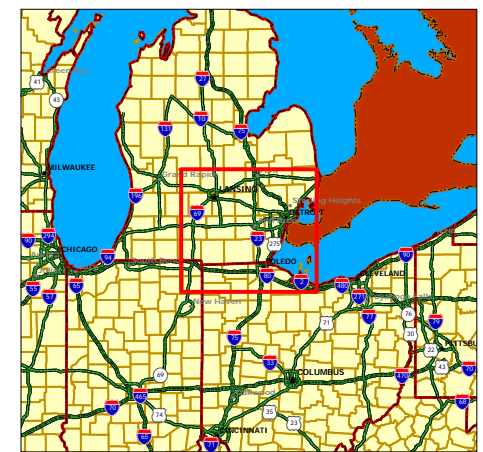
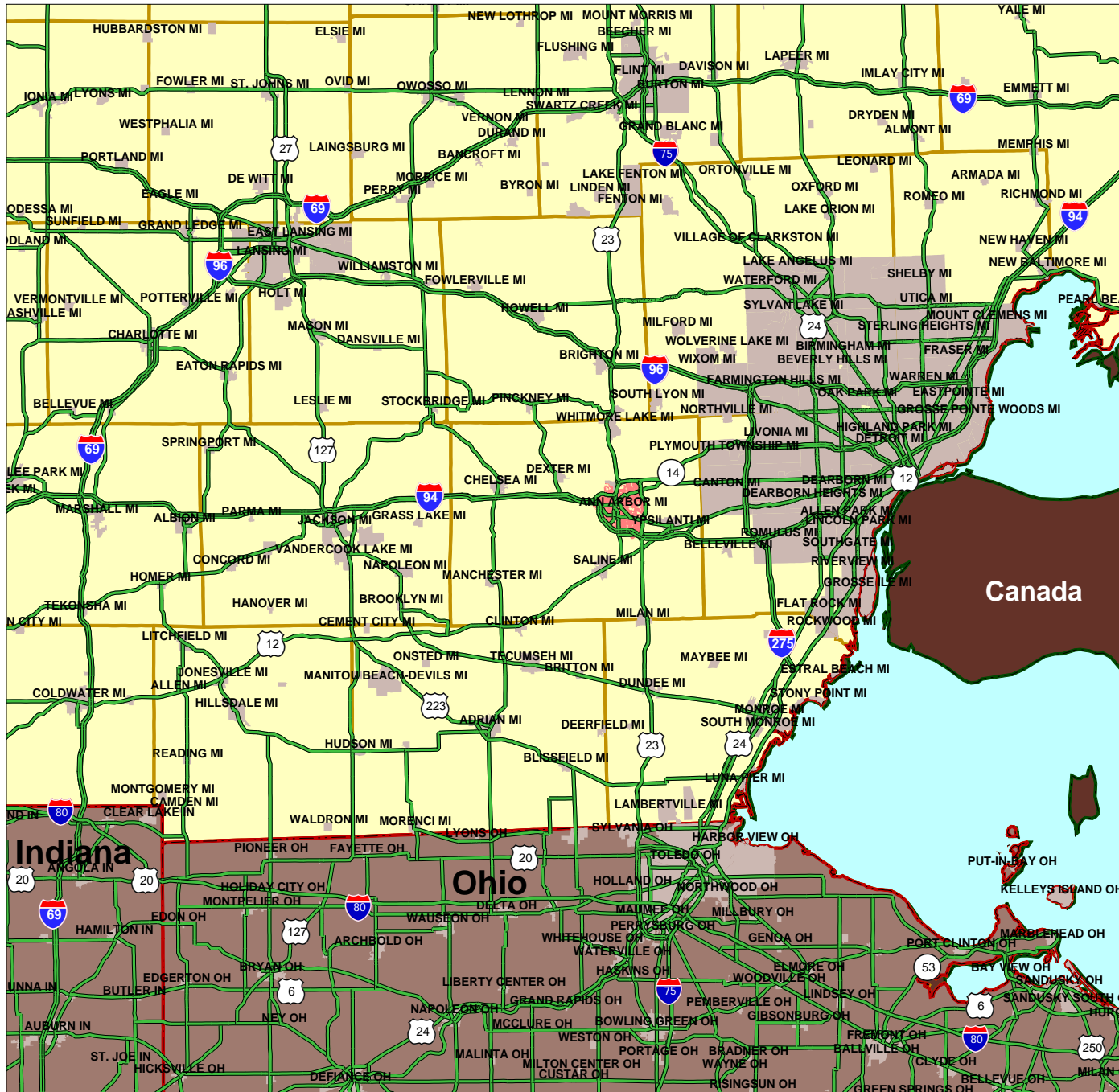
The Ann Arbor Downtown Study Area (DSA) was established after a driving tour of the inner city and consultation with city officials. The following four factors influenced the final delineation: (1) exclusion of single-family neighborhoods, (2) inclusion of the Central Business District, (3) general adherence to downtown development authority boundaries, and (4) recognition of significant natural and man-made barriers. For this study, the Ann Arbor DSA is generally described as follows:

- North boundary: Kingsley Street
- East boundary: State Street
- South boundary: Madison Street
- West boundary: 2nd Street

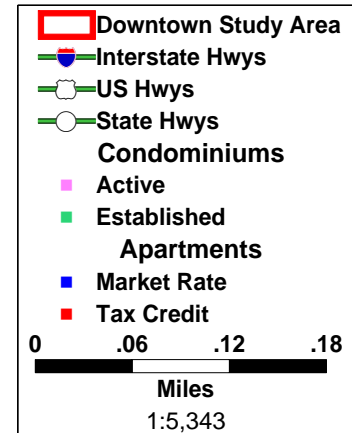
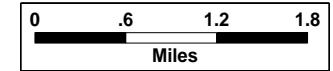
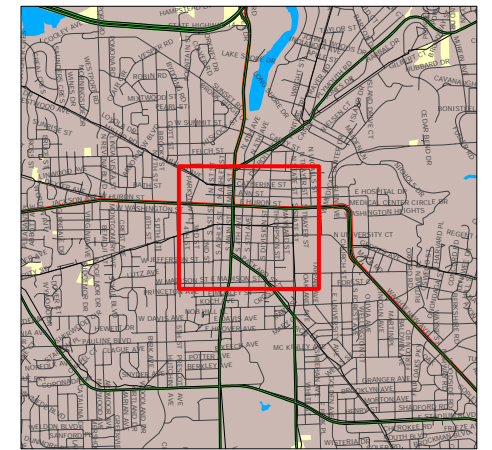
The geographic center of the DSA is the intersection of Main Street and Huron Street.

A regional map showing the location of the city within the state and a map delineating the specific boundaries of the DSA follow. On this DSA map, we have shown the location of each multi-unit property (both rental and condominium) surveyed within the Ann Arbor DSA. Map I.D. numbers for surveyed properties are identified in the Multi-Unit Housing Supply Analysis later in this section.

Ann Arbor, MI: Surrounding Region



Ann Arbor, MI: DSA Boundary with Surveyed Properties



2007 Demographic Snapshot (Estimated from 2000 U.S. Census)

The following table provides a brief demographic snapshot of key population and household characteristics for the Ann Arbor DSA and the remainder of the city:

	2007 ESTIMATE	
	DOWNTOWN STUDY AREA	REMAINDER OF ANN ARBOR
POPULATION		
NUMBER	1,733	111,128
MEDIAN AGE	26.9	30.0
GENDER		
PERCENT MALE	52.2%	49.7%
PERCENT FEMALE	47.8%	50.3%
EDUCATION (AGE 25+)		
PERCENT HIGH SCHOOL EDUCATED	17.0%	13.1%
PERCENT COLLEGE EDUCATED	83.0%	86.9%
MARTIAL STATUS (AGE 15+)		
PERCENT SINGLE	90.1%	59.6%
PERCENT MARRIED	9.9%	40.4%
HOUSEHOLDS		
NUMBER	1,144	44,927
PRESENCE OF CHILDREN		
PERCENT WITH CHILDREN	4.7%	27.2%
PERCENT WITHOUT CHILDREN	95.3%	72.8%
AVERAGE SIZE	1.6	2.2
TENURE		
PERCENT OWNER	17.5%	46.0%
PERCENT RENTER	82.5%	54.0%
MEDIAN INCOME	\$13,817	\$51,426

Source: 2000 Census, Inc.

The above data and more detailed demographic information are analyzed in the following section.

2. DEMOGRAPHICS

The following information has been compiled from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, and the FBI. It has been grouped into five categories for analysis: (1) population characteristics - descriptors for individual people, (2) household characteristics - descriptors for people living together in one residence, (3) housing characteristics - descriptors for residential dwelling units, (4) crime and transportation - descriptors for crime rates and transit/commuting activities, and (5) economic and employment indicators - descriptors for business and employment activity. This information is provided for expanding geographic areas: (1) the Downtown Study Area (DSA), (2) the remainder of the DSA's city, and (3) the state of Michigan.

Population Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF ANN ARBOR	STATE OF MICHIGAN
POPULATION			
1990 CENSUS	1,628	108,898	9,295,297
2000 CENSUS	1,772	112,107	9,938,444
2007 ESTIMATED	1,733	111,128	10,159,688
2012 PROJECTED	1,713	110,783	10,268,116
PERCENT CHANGE 1990 TO 2000	8.8%	2.9%	6.9%
PERCENT CHANGE 2000 TO 2007	-2.2%	-0.9%	2.2%
PERCENT CHANGE 2007 TO 2012	-1.2%	-0.3%	1.1%
POPULATION BY AGE 2007			
PERCENT AGE LESS THAN 18 (CHILDREN)	1.6%	16.9%	24.5%
PERCENT AGE 18 TO 34 (YOUNG ADULTS)	67.9%	41.5%	22.6%
PERCENT AGE 35 TO 54 (MIDDLE-AGED ADULTS)	19.0%	24.8%	29.2%
PERCENT AGE 55 OR MORE (SENIORS)	11.5%	16.7%	23.7%
MEDIAN AGE	26.9	30.0	37.1
POPULATION BY GENDER 2007			
PERCENT MALE	52.2%	49.7%	49.2%
PERCENT FEMALE	47.8%	50.3%	50.8%
POPULATION BY EDUCATION (AGE 25+) 2007			
PERCENT HIGH SCHOOL GRADUATES OR LESS	17.0%	13.1%	47.6%
PERCENT SOME COLLEGE	15.2%	13.4%	23.4%
PERCENT COLLEGE GRADUATES OR MORE	67.8%	73.6%	29.1%
POPULATION BY MARITAL STATUS (AGE 15+) 2007			
PERCENT NEVER MARRIED	79.7%	49.4%	27.2%
PERCENT MARRIED	9.9%	40.4%	56.3%
PERCENT WIDOWED/DIVORCED	10.4%	10.2%	16.5%
LAND AREA, POPULATION DENSITY & DAYTIME POPULATION 2007			
LAND AREA (IN SQUARE MILES)	0.3	26.9	56,803.8
PERSONS PER SQUARE MILE	6,796.1	4,130.1	178.9
DAYTIME POPULATION	11,845	123,290	5,680,903

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends from the above table for the Ann Arbor DSA include the following:

- Although the total population within the DSA increased at a higher rate than the remainder of the city and the state from 1990 to 2000 (8.8% versus 2.9% and 6.9%), it was projected to decrease at a higher rate than the remainder of the city from 2000 to 2012 (3.3% versus 1.2%). The state's population was projected to increase 3.3% during this same 12-year period.
- In 2007 1,733 people resided within the DSA, representing only 1.5% of the city's total population.

- In 2007 the typical DSA resident profile was a 27 year old adult (67.9% were between 18 and 34 years of age) who was college-educated (83.0%) and unmarried (90.1%). This profile is quite different from the remainder of the city and the state. The percentage of children under 18 years of age within the DSA was very low at 1.6%, and the percentage of residents 35 years of age and older (30.5%) was well below the remainder of the city (41.5%) and the state (52.9%).
- In 2007 the land area within the DSA represented 1.1% of the total area within the city limits.
- In 2007 the population density within the DSA was 1.65 times denser than the remainder of the city.

Household Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF ANN ARBOR	STATE OF MICHIGAN
HOUSEHOLDS			
1990 CENSUS	958	40,993	3,419,331
2000 CENSUS	1,137	44,493	3,785,661
2007 ESTIMATED	1,144	44,927	3,936,519
2012 PROJECTED	1,157	45,258	4,009,481
PERCENT CHANGE 1990 TO 2000	18.7%	8.5%	10.7%
PERCENT CHANGE 2000 TO 2007	0.6%	1.0%	4.0%
PERCENT CHANGE 2007 TO 2012	1.1%	0.7%	1.9%
HOUSEHOLDS BY COMPOSITION 2007			
PERCENT SINGLE	66.2%	36.3%	27.2%
PERCENT MARRIED WITH CHILDREN	0.8%	17.7%	23.5%
PERCENT MARRIED NO CHILDREN	5.1%	20.2%	28.7%
PERCENT SINGLE PARENT	3.9%	9.5%	16.0%
PERCENT OTHER	24.0%	16.3%	4.7%
AVERAGE HOUSEHOLD SIZE 2007	1.6	2.2	2.5
HOUSEHOLDS BY TENURE 2007			
PERCENT OWNER	17.5%	46.0%	74.5%
PERCENT RENTER	82.5%	54.0%	25.5%
MEDIAN HOUSEHOLD INCOME 2007	\$13,817	\$51,426	\$50,319
HOUSEHOLDS BY PRIZM NE LIFESTAGE CLASSES & GROUPS 2007*			
PERCENT YOUNGER YEARS CLASS	87.9%	70.3%	32.7%
PERCENT <i>MIDLIFE SUCCESS</i> GROUP	0.8%	23.4%	15.4%
PERCENT <i>YOUNG ACHIEVERS</i> GROUP	39.5%	22.4%	6.8%
PERCENT <i>STRIVING SINGLES</i> GROUP	47.5%	24.5%	10.5%
PERCENT FAMILY LIFE CLASS	0.2%	9.0%	30.6%
PERCENT <i>ACCUMULATED WEALTH</i> GROUP	0.0%	1.5%	4.0%
PERCENT <i>YOUNG ACCUMULATORS</i> GROUP	0.0%	3.2%	8.4%
PERCENT <i>MAINSTREAM FAMILIES</i> GROUP	0.1%	3.3%	14.7%
PERCENT <i>SUSTAINING FAMILIES</i> GROUP	0.1%	1.0%	3.6%
PERCENT MATURE YEARS CLASS	11.9%	20.8%	36.7%
PERCENT <i>AFFLUENT EMPTY NESTS</i> GROUP	0.2%	5.1%	6.1%
PERCENT <i>CONSERVATIVE CLASSICS</i> GROUP	0.7%	9.1%	10.7%
PERCENT <i>CAUTIOUS COUPLES</i> GROUP	2.0%	3.6%	11.6%
PERCENT <i>SUSTAINING SENIORS</i> GROUP	9.1%	3.1%	8.4%

Source: 2000 Census; Claritas, Inc.

*See Addendum A for Lifestage Class & Group definitions.

Noteworthy observations and trends from the above table for the Ann Arbor DSA include the following:

- Although the total number of households within the DSA increased at a higher rate than the remainder of the city and the state from 1990 to 2000 (18.7% versus 8.5% and 10.7%), the entire city was projected to level off from 2000 to 2012 (1.7%). The state's number of households was projected to increase 5.9% during this same 12-year period.

- In 2007 1,144 households resided within the DSA, representing only 2.5% of city's total households.
- In 2007 the typical DSA household profile was a single adult (70.1%) with no children (66.2%) earning \$13,817 a year (median income) and renting their residence (82.5%). This profile is quite different from the remainder of the city and the state. Percentages of DSA households with children (4.7%) and married adults (5.9%) were well below the remainder of the city (27.2% and 37.9%) and the state (39.5% and 52.2%).
- In 2007 the average household size within the DSA (1.6 people) was much smaller than the remainder of the city (2.2) and the state (2.5).
- In 2007 the percent of renter households within the DSA (82.5%) was much higher than the remainder of the city (54%) and the state (25.5%).
- In 2007 the median income within the DSA (\$13,817) was well below the remainder of the city (\$51,426) and the state (\$50,319).
- *Claritas, Inc. Prizm NE Lifestage* data for 2007 (estimated) was used to determine DSA resident profiles. Residents were classified in three main Lifestage classes: Younger Years, Family Life, and Mature Years. The largest Lifestage class within the Ann Arbor DSA was *Younger Years* at 87.9% of all households, while the two largest Lifestage groups were *Striving Singles* (47.5%) and *Young Achievers* (39.5%). The largest Lifestage class in the remainder of the city was *Younger Years* at 70.3% of all households, while the two largest Lifestage groups were *Striving Singles* (24.5%) and *Midlife Success* (23.4%). The largest Lifestage class in the state was *Mature Years* at 36.7% of all households, while the two largest Lifestage groups were *Midlife Success* (15.4%) and *Mainstream Families* (14.7%). Although the DSA Lifestage class percentages compare closely to the remainder of the city, they are very different from the state as a whole. Further, the DSA Lifestage group percentages are very different from the remainder of the city and the state. This indicates that household composition within the DSA is different from the remainder of the city and very different from the state. DSA households are younger, smaller, mostly childless, lower income, and mostly renters.

Housing Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF ANN ARBOR	STATE OF MICHIGAN
HOUSING UNITS 2000			
PERCENT OCCUPIED	94.0%	96.9%	89.4%
PERCENT VACANT	6.0%	3.1%	10.6%
TOTAL	1,209	45,935	4,234,279
HOUSING UNITS 2007			
PERCENT OCCUPIED	91.7%	95.4%	87.8%
PERCENT VACANT	8.3%	4.6%	12.2%
TOTAL	1,248	47,100	4,482,194
HOUSING UNITS 2012			
PERCENT OCCUPIED	89.5%	94.0%	86.2%
PERCENT VACANT	10.5%	6.0%	13.8%
TOTAL	1,293	48,162	4,652,213
HOUSING PAYMENTS GREATER THAN 30% OF INCOME BY TENURE 2000			
PERCENT OWNER-OCCUPIED UNITS	10.8%	19.3%	17.8%
PERCENT RENTER-OCCUPIED UNITS	66.7%	46.9%	37.6%
AVERAGE MONTHLY OWNER HOUSING PAYMENT 2000	\$967	\$1,680	\$1,037
AVERAGE MONTHLY RENTER HOUSING PAYMENT 2000	\$767	\$800	\$578
AVERAGE NUMBER OF ROOMS PER OCCUPIED HOUSING UNIT 2000	2.8	5.1	5.7
AVERAGE NUMBER OF BEDROOMS PER OCCUPIED HOUSING UNIT 2000	1.1	2.2	2.3
YEAR BUILT; OWNER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	12.7%	9.9%	16.0%
PERCENT 1980 TO 1989	13.2%	6.9%	9.7%
PERCENT 1979 OR EARLIER	74.1%	83.3%	74.3%
YEAR BUILT; RENTER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	4.3%	8.4%	10.2%
PERCENT 1980 TO 1989	3.1%	13.1%	13.0%
PERCENT 1979 OR EARLIER	92.7%	78.4%	76.8%
HOUSING UNITS BY STRUCTURE TYPE 2000			
PERCENT SINGLE FAMILY	8.8%	54.0%	74.5%
PERCENT 2 TO 19 UNITS IN A BUILDING	47.6%	33.8%	13.7%
PERCENT 20 TO 49 UNITS IN A BUILDING	12.9%	5.2%	2.2%
PERCENT 50 OR MORE UNITS IN A BUILDING	30.7%	6.8%	3.0%
PERCENT OTHER	0.0%	0.2%	6.7%
MEDIAN HOME VALUE 2000	\$90,971	\$180,934	\$110,857
MEDIAN HOME VALUE 2007	\$135,882	\$236,025	\$145,613
MEDIAN HOME VALUE 2012	\$140,323	\$252,726	\$158,803
AVERAGE RESIDENCY LENGTH; OWNER-OCCUPIED UNITS	3.0	8.0	11.0
ANNUAL TURNOVER; OWNER-OCCUPIED UNITS (2000)	19.9%	7.8%	7.7%
ANNUAL TURNOVER; RENTER-OCCUPIED UNITS (2000)	50.3%	40.7%	31.6%

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Ann Arbor DSA include the following:

- Although the total number of housing units in the DSA was projected to increase at a higher rate than the remainder of the city from 2000 to 2012 (7.0% versus 4.9%), it was projected to be at a lower rate than the state (7.0% versus 9.9%).
- While the total number of housing units in the DSA was projected to increase from 2000 to 2012 (7.0%), the vacancy rate was projected to increase as well from 6.0% to 10.5%, a 61.5% increase. This same condition was projected to hold true for the remainder of the city and the state, however, at differing rates.
- In 2007 there were 1,248 housing units within the DSA, representing only 2.6% of the city's total housing units. Of all the DSA housing units, 8.3% were estimated to be vacant.
- In 2000 66.7% of the renter-occupied units within the DSA paid more than 30% of their gross income for housing. This is a much higher percentage than the remainder of the city (46.9%) and the state (37.6%).
- In 2000 owner-occupied units within the DSA paid an average of \$967 per month for housing, which was much less than the remainder of the city (\$1,680) and less than the state (\$1,037). Renter-occupied units within the DSA paid an average of \$767 per month for housing, which was less than the remainder of the city (\$800), but more than the state (\$578).
- In 2000 the average number of total rooms (2.8) and bedrooms (1.1) per DSA housing unit were much less than the remainder of the city (5.1 and 2.2) and the state (5.7 and 2.3). This indicates that housing units within the DSA were much smaller than those found in the rest of the city and the state.
- In 2000 91.2% of all housing units within the DSA were in multi-unit buildings. This percentage is much higher than the remainder of the city (45.8%) and the state (18.9%). Conversely, only 8.8% of all housing units in the DSA were single-unit/single-family structures. This contributes to the Ann Arbor DSA's higher population density.
- Although the median home value within the DSA was projected to increase at a higher rate than the remainder of the city and the state from 2000 to 2012 (54.3% versus 39.7% and 43.3%), the actual value was projected to be much lower than the remainder of the city and lower than the state.

- The average residency length of owner-occupied units within the DSA (three years) is much shorter than the remainder of the city (eight years) and the state (11 years). Annual turnover rates within the DSA for renter-occupied and owner-occupied units are higher than the remainder of the city and the state.

Crime & Transportation

	DOWNTOWN STUDY AREA	REMAINDER OF ANN ARBOR	STATE OF MICHIGAN
CRIME INDEX 2007*			
<i>PERSONAL CRIME</i>	108	106	94
<i>PROPERTY CRIME</i>	172	126	115
WORKER COMMUTE BY MODE (AGE 16+) 2007			
PERCENT DRIVE ALONE	31.6%	63.3%	83.5%
PERCENT CARPOOL	2.5%	7.9%	9.6%
PERCENT PUBLIC TRANSIT	3.1%	6.6%	1.2%
PERCENT WALK	56.3%	15.1%	2.2%
PERCENT MOTORCYCLE / BICYCLE	2.8%	2.4%	0.2%
PERCENT OTHER MEANS	0.0%	0.4%	0.5%
PERCENT WORK AT HOME	3.9%	4.4%	2.9%
TOTAL WORKERS	935	58,652	4,777,007
AVERAGE WORKER COMMUTE TIME IN MINUTES (AGE 16+) 2007	17.2	21.2	26.2
AVERAGE NUMBER OF VEHICLES PER HOUSEHOLD BY TENURE 2007			
OWNER HOUSEHOLDS	0.8	1.6	1.8
RENTER HOUSEHOLDS	0.8	1.8	2.0
ALL HOUSEHOLDS	0.9	1.3	1.2

Source: 2000 Census; Claritas, Inc.; Applied Geographic Solutions; VWB Research

*Based on a par value of 100

Noteworthy observations and trends from the above table for the Ann Arbor DSA include the following:

- In 2007 personal crime indices within the DSA were similar to the remainder of the city and the state, and near the national average. Property crime indices within the DSA were estimated to be higher than the remainder of the city, the state, and the national average.
- In 2007 the adult workers within the DSA used a car less often to commute than did the adult workers in the remainder of the city and the state (34.1% versus 71.2% and 93.1%); 56.3% walked to work, and 3.1% used public transit.
- In 2007 adult workers within the DSA had shorter commute times (17.2 minutes) than those in the remainder of the city (21.2) and the state (26.2).

- In 2007 households within the DSA had fewer vehicles (0.9) than those in the remainder of the city (1.3) and the state (1.2).

Economic & Employment Indicators

	DOWNTOWN STUDY AREA	REMAINDER OF ANN ARBOR	STATE OF MICHIGAN
EMPLOYMENT SHARE BY INDUSTRY 2007			
AGRICULTURE & NATURAL RESOURCES	0.3%	0.4%	1.1%
MINING	0.0%	0.0%	0.1%
CONSTRUCTION	1.6%	1.6%	4.3%
MANUFACTURING	5.6%	4.0%	14.7%
TRANSPORTATION & UTILITIES	3.2%	2.0%	4.1%
WHOLESALE TRADE	0.9%	1.0%	4.3%
RETAIL TRADE	29.3%	13.8%	19.4%
F.I.R.E.	11.3%	4.4%	5.9%
SERVICES	35.3%	70.1%	39.9%
GOVERNMENT	10.0%	1.4%	5.0%
NON-CLASSIFIABLE	2.5%	1.3%	1.1%
TOTAL EMPLOYEES	11,844	123,290	5,680,903
ANNUAL UNEMPLOYMENT RATE			
2000	N/A	2.5%	3.7%
2001	N/A	3.1%	5.2%
2002	N/A	3.8%	6.2%
2003	N/A	4.4%	7.1%
2004	N/A	4.6%	7.0%
2005	N/A	4.7%	6.8%
2006	N/A	4.9%	6.9%
2007	N/A	5.2%	7.2%
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME 2007	\$13,533	\$42,855	\$41,752
ECONOMIC DENSITIES 2007			
TOTAL BUSINESSES PER SQUARE MILE	4,337.3	208.6	7.1
RETAIL BUSINESSES PER SQUARE MILE	996.1	35.0	1.4
EMPLOYEES PER SQUARE MILE	46,451.0	4,582.1	100.0
RESIDENTIAL MULTI-UNIT BUILDING PERMITS BY DECADE (5+ UNITS PER BUILDING)			
2000 TO 2006 (UNITS)	N/A	471	46,563
1990 TO 1999 (UNITS)	N/A	1,071	65,592
1980 TO 1989 (UNITS)	N/A	3,043	106,921

Source: Claritas, Inc.; Department of Labor, Bureau of Labor Statistics; socds.huduser.org – Building Permits Database

Table continued

TOP 10 EMPLOYERS WITHIN ONE MILE OF DOWNTOWN STUDY AREA	NUMBER OF EMPLOYEES	TYPE OF BUSINESS
1. UNIVERSITY OF MICHIGAN	38,000	UNIVERSITY
2. UNIVERSITY OF MICHIGAN-AUDIOLOGY	6,000	UNIVERSITY DIVISION
3. PAUL SMYTHE DDS	924	DENTAL OFFICE
4. TCF BANK	500	COMMERCIAL BANK
5. UNIVERSITY OF MICHIGAN HOSPITAL	500	HOSPITAL
6. UNIVERSITY OF MICHIGAN HEALTH SYSTEM	500	HOSPITAL
7. HOLDEN PERINATAL HOSPITAL	500	HOSPITAL
8. UNIVERSITY OF MICHIGAN CANCER CENTER	433	HOSPITAL
9. ANN ARBOR NEWS	400	NEWSPAPER PUBLISHER
10. UNIVERSITY OF MICHIGAN PEDIATRIC HOSPITAL	400	HOSPITAL

Source: 2007 InfoUSA Business Database

Noteworthy observations and trends for the Ann Arbor DSA include the following:

- In 2007 11,844 people worked within the DSA, representing 8.8% of all workers within the city.
- In 2007 the industry with the most employees working within the DSA was Services at 35.3%.
- In 2007 white-collar employment within the DSA (74.3%) was similar to the remainder of the city (80.7%) and higher than the state (56.9%).
- From 2000 to 2007, the unemployment rate for Ann Arbor has been lower than the state rate, while increasing from 2.5% to 5.2%. In 2007 the unemployment rate for Ann Arbor was 5.2%, compared to the state's 7.2%
- In 2007 the median household effective buying income within the DSA (\$13,533) was well below the remainder of the city (\$42,855) and the state (\$41,752).
- On a citywide basis, the number of residential permits issued for units in buildings with five or more dwellings decreased over the last three decades. Permits for multi-unit buildings (five units or more) issued during the 1990s decreased 64.8% from those issued during the 1980s. The same type permits issued during the 2000s (adjusted for a full decade) decreased 37.2% from those issued during the 1990s. Since 2000, an average of 67 multi-unit building permits per year were issued citywide, down from 304 per year during the 1980s.

- Within 1.0 mile of the DSA, the largest employer is the University of Michigan with 38,000 employees. The 10 largest employers within 1.0 mile of the DSA employ a total of 48,157 people. Within the DSA, 11,844 people are employed, yielding an “Employment per DSA Resident” ratio of 6.8 to 1 (based on 2007 estimates).

Demographic Summary

Resident households within the Ann Arbor DSA typically are young, childless, unmarried adults (27 year median age) who either live alone or with a roommate/partner, are college educated, earn below \$14,000 per year, and rent their residence. The largest Lifestage Group is *Striving Singles*. There are slightly more males than females. After growing in the 1990s, the DSA population is projected to decrease from 2000 to 2012 while household growth is flat. Only 1.5% of the city’s population was projected to live within the DSA in 2007. Population density and daytime population are both high. It is estimated that in 2007 student households comprise 44.0% of all Ann Arbor DSA households. The University of Michigan clearly impacts the demographics and housing of downtown Ann Arbor.

The number of total housing units within the DSA is projected to increase from 2000 to 2012, however, so is the vacancy rate. Only 2.6% of the city’s total housing units are projected to be within the DSA. There are many more renters than owners, and many of those renting pay over 30% of their income for housing. Housing units are denser (more units per building) and smaller within the DSA than the remainder of the city. The typical housing unit within the DSA has one bedroom and is in a multi-unit building. DSA owners pay slightly less per month for housing than the state average, while renters pay slightly more than the state average. Renter-occupied units are older than owner-occupied units. While median home values are increasing, they are lower than the remainder of the city and the state. Residency length is shorter within the DSA, and the annual turnover rate (renters and owners) is higher within the DSA than the remainder of the city or the state. DSA residents seem to be more transient.

Crime indices within the DSA are on par with the rest of the city and the state. Slightly elevated indices for property crimes are found in the DSA. Transportation data indicates that DSA residents/households drive less often to work, have shorter commuting times, and own fewer vehicles than their counterparts outside the DSA.

The University of Michigan and medical facilities most heavily influence employment in and near the DSA. Only three of the largest 10 employers within 1.0 mile of the DSA are private for-profit businesses. Most employment is white-collar (74.3%) with 85.9% of jobs falling within Service, Retail, Government, and Finance/Insurance/Real Estate industries.

Unemployment citywide has increased each year since 2000, but remains below the state rate. Building permits for residential dwellings in multi-unit buildings have decreased citywide over the past 27 years, indicating a long-term softening of the multi-unit housing market. Economic densities for the DSA are very high. Per square mile, it has the most total businesses, retail businesses, and employees of any DSA in the study. This is a strong indicator of a healthy and vibrant downtown.

3. **MULTI-UNIT HOUSING SUPPLY ANALYSIS**

Demographic Housing Supply Overview

According to the U.S. Census, the distribution of housing stock by tenure and occupancy within the Ann Arbor DSA for 2000, 2007 (estimated), and 2012 (projected) is summarized in the following table:

HOUSING TYPE	2000 CENSUS		2007 (ESTIMATED)		2012 (PROJECTED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	1,137	94.0%	1,144	91.7%	1,157	89.5%
OWNER-OCCUPIED	197	17.3%	200	17.5%	204	17.6%
RENTER-OCCUPIED	940	82.7%	944	82.5%	953	82.4%
VACANT	72	6.0%	104	8.3%	136	10.5%
TOTAL	1,209	100.0%	1,248	100.0%	1,293	100.0%

Source: 2000 Census; Claritas, Inc.

For all three years (2000, 2007, and 2012), renter-occupied housing units outnumber owner-occupied housing units by nearly five to one.

Demographic housing trends indicate the total number of housing units within the DSA was projected to increase by 84 (6.9%) from 2000 to 2012, while the vacancy rate for all housing units was projected to increase from 6.0% to 10.5% during the same 12-year period.

The following table shows the distribution of occupied housing units within the DSA by structure type (type = units per building) in 2000:

HOUSING UNITS BY STRUCTURE TYPE (2000 CENSUS)	NUMBER OF UNITS	PERCENT
SINGLE-UNIT	106	8.8%
LOW-DENSITY MULTI-UNIT (2 TO 19 UNITS PER BUILDING)	576	47.6%
MEDIUM-DENSITY MULTI-UNIT (20 TO 49 UNITS PER BUILDING)	156	12.9%
HIGH-DENSITY MULTI-UNIT (50+ UNITS PER BUILDING)	371	30.7%
OTHER (TRAILER/BOAT/RV/VAN/ETC.)	0	0.0%
TOTAL	1,209	100.0%

Source: U.S. Census Bureau; 2000 Census

The above table shows that most of the occupied housing units within the DSA were located in Low-Density Multi-Unit buildings (47.6%). Of all the occupied housing units within the DSA, 91.2% were located in Multi-Unit buildings, while only 8.8% were located in Single-Unit (one-family) buildings.

The following table presents selected housing characteristics by owner- and renter-occupied housing units for the DSA in 2000:

HOUSING CHARACTERISTIC IN YEAR 2000	OWNER-OCCUPIED HOUSING UNITS	RENTER-OCCUPIED HOUSING UNITS
AVERAGE MONTHLY HOUSING PAYMENT	\$967	\$767
PERCENT WITH HOUSING PAYMENT GREATER THAN 30% OF INCOME	10.8%	66.7%
AVERAGE HOUSEHOLD SIZE	1.3	1.6
PERCENT MOVED-IN BETWEEN 1995 & 2000	74.1%	95.1%
ANNUAL TURNOVER RATE	19.9%	50.3%
AVERAGE NUMBER OF TOTAL ROOMS	3.3	2.8
AVERAGE NUMBER OF BEDROOMS	1.1	1.0
PERCENT BUILT BETWEEN 1990 & 2000	12.7%	4.3%
MEDIAN YEAR BUILT	1964	1957

Source: U.S. Census Bureau; 2000 Census

Noteworthy observations from the DSA include:

- Two-thirds of renter households paid more than 30% of their income for housing.
- Owner-occupied units had smaller households than renter-occupied units.
- Between 1995 and 2000, 95% of renter households and 74% of owner households moved into the DSA.
- The annual turnover rate for renters was 2.5 times higher than owners, and half of the renters turned over each year.
- Owner-occupied units were larger than renter-occupied units.
- Three times more owner-occupied units were built during the 1990s than renter-occupied units.

Multi-Unit Rental Housing Supply Survey

We identified and surveyed three multi-unit rental housing properties totaling 186 units within the Ann Arbor DSA that met the study's selection criteria (refer to Ann Arbor DSA Map using property Map I.D. numbers below). Of these properties, one is market-rate and two are Tax Credit. A summary of the surveyed properties by type, unit count, and vacancy rate appears in the following table:

PROPERTY TYPE	PROPERTIES SURVEYED	TOTAL UNITS	VACANT UNITS	VACANCY RATE*
MARKET-RATE	1	64	0	0.0%
TAX CREDIT	2	122	6	4.9%
TOTAL	3	186	6	3.2%

*As of July 2007

The Ann Arbor DSA multi-unit rental market is performing well with an overall multi-unit rental vacancy rate of 3.2%. Market-rate properties are out performing Tax Credit properties (0.0% vacancies versus 4.9%). The study's aggregate vacancy rate for all surveyed multi-unit rental housing properties in this study is 8.9%; indicating the Ann Arbor DSA has a lower vacancy rate than the study's aggregate average.

The following table summarizes key information for each multi-unit rental housing property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	TYPE	YEAR BUILT/ RENOVATED	UNITS	BUILDING STORIES	VACANCY RATE*	QUALITY RATING	NET RENT** RANGE
1	COURTHOUSE SQUARE	TAX	1910 / 1994	116	11	5.2%	B-	\$644 to \$888
2	WILLIAM STREET APTS.	TAX	1954 / 1992	6	2.5	0.0%	B	\$205 to \$263
3	CORNERHOUSE LOFTS	MRR	2003	64	8	0.0%	B+	\$1,550 to \$2,550

*As of July 2007

**Net rent excludes all utilities except water, sewer, and trash removal.

From the above table, 122 units, or 65.6%, units are in two older buildings that were renovated in 1992 and 1994, while the remaining 64 units, or 34.4%, are in a new building that was constructed in 2003. The largest of the surveyed properties is Courthouse Square with 116 total units, while the smallest is William Street Apartments with six total units. The average sized multi-unit rental property within the Ann Arbor DSA is 62 units.

Each surveyed rental property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. All three properties received some level of B quality rating, had net monthly rents from \$205 to \$2,550, vacancy rates from 0.0% to 5.2%, and 2.5 to 11 stories.

The following table summarizes the breakdown of unit information by property type within the DSA:

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
TWO-BEDROOM	1.0	40	62.5%	0	0.0%	\$1,550
THREE-BEDROOM	1.0	24	37.5%	0	0.0%	\$2,100
TOTAL MARKET-RATE		64	100.0%	0	0.0%	-
TAX CREDIT						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
STUDIO	1.0	6	4.9%	0	0.0%	\$263
ONE-BEDROOM	1.0	94	77.0%	5	5.3%	\$719
TWO-BEDROOM	1.0	12	9.8%	1	8.3%	\$888
TWO-BEDROOM	2.0	10	8.2%	0	0.0%	\$888
TOTAL TAX CREDIT		122	100.0%	6	4.9%	-

*As of July 2007

Of the 186 rental units that were surveyed, six are vacant (3.2%). More specifically, none of the market-rate units are vacant, while the Tax Credit units are 4.9% vacant. Surveyed rental units are 34.4% market-rate and 65.6% Tax Credit. The most common unit type for all property types is a one-bedroom/one-bath floor plan (50.5%), while the least common unit type is a studio/one-bath floor plan (4.9%). The highest vacancy rate (8.3%) is in the two-bedroom/one-bath Tax Credit unit. Median net monthly rent values range from a low of \$263 for a studio/one-bath Tax Credit unit to a high of \$2,100 for a three-bedroom/one-bath market-rate unit.

The following table summarizes the average net monthly rent per square foot by bedroom type and unit design for the multi-unit rental properties surveyed within the DSA (note: garden units have all living areas on one floor, regardless of the number of stories in a building, while townhouse units have living areas on multiple floors):

BEDROOM TYPE	AVERAGE NET RENT PER SQUARE FOOT			
	MARKET-RATE		TAX CREDIT	
	GARDEN	TOWNHOUSE	GARDEN	TOWNHOUSE
STUDIO	-	-	\$0.55	-
ONE-BEDROOM	-	-	\$1.25	-
TWO-BEDROOM	\$2.46	-	\$0.96	-
THREE-BEDROOM	\$2.69	-	-	-

All surveyed rental units are garden-style plans with 96.8% served by elevators. The above table indicates that average net monthly rents per square foot range from a low of \$0.55 for a studio Tax Credit unit to a high of \$2.69 for a three-bedroom market-rate unit. Market-rate properties are receiving nearly 2.5 times more net monthly rent per square foot than Tax Credit properties for the same unit type. Compared to aggregate averages in this study, the Ann Arbor DSA's average net monthly rents per square foot are much higher.

The following table summarizes property counts, unit counts, vacancy rates, and median net monthly rents by quality rating and property type:

MARKET-RATE PROPERTIES				MEDIAN NET RENT			
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
B+	1	64	0.0%	-	-	\$1,550	\$2,100

TAX CREDIT PROPERTIES				MEDIAN NET RENT			
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
B	1	6	0.0%	\$263	-	-	-
B-	1	116	5.2%	-	\$719	\$888	-

*As of July 2007

As evidenced in the above table, modest correlations exist between the quality of surveyed properties and their vacancy rates or net monthly rents. It appears that the higher the quality rating, the higher the net monthly rent and the lower the vacancy rate. It should be noted that there is a limited supply of product in the DSA to draw strong correlations.

The following appliances were included in the surveyed rental units (frequency indicated by percentage of units):

- Range (100.0%)
- Refrigerator (100.0%)
- Dishwasher (34.4%)
- Disposal (96.8%)

The following amenities were included in the surveyed rental units (frequency indicated by percentage of units):

- Air conditioning (100.0%; central 34.4% / window 65.6%)
- Floor covering (100.0%)
- Window treatment (100.0%)

The following common amenities were included in the surveyed rental properties for use by residents (frequency indicated by percentage of units):

- On-site management (62.4%)
- Laundry facilities (96.8%)
- Meeting room (34.4%)
- Elevator (96.8%)

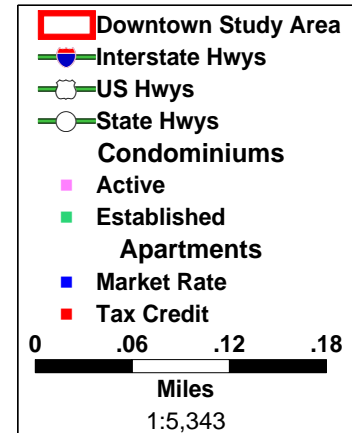
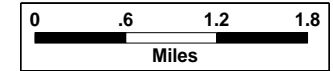
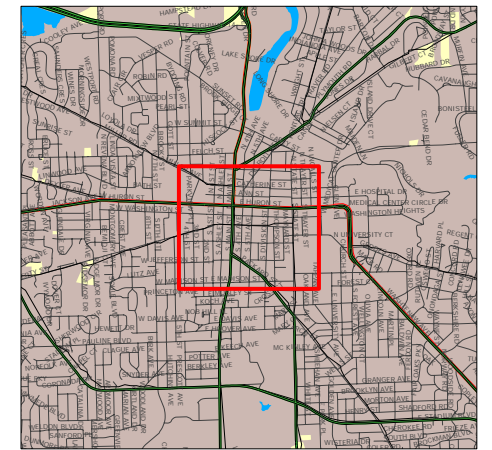
The following utility mix and payment responsibility were used in the surveyed rental properties (frequency indicated by percentages of units):

- Space heating (gas 100.0%; landlord 65.6% / tenant 34.4%)
- Cooking (electric 100.0%; landlord 3.2% / tenant 96.8%)
- Water heating (gas 100.0%; landlord 65.6% / tenant 34.4%)
- Other electric (landlord 3.2% / tenant 96.8%)
- Water-sewer-trash (landlord 100.0%)

An abbreviated field survey of all multi-unit rental properties in the Ann Arbor DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type, year built and renovated (if applicable), number of floors, total units, occupancy rate, quality rating, and presence of an elevator.
- Rent and unit information by property and number of bedrooms.

Ann Arbor, MI: DSA Boundary with Surveyed Properties



SURVEY OF RENTAL PROPERTIES - ANN ARBOR, MI

1 Courthouse Square	
	Address 100 S. 4th Ave. Ann Arbor, Mi 48107
	Year Built 1910 Renovated 1994
	Project Type Tax Credit
	Comments Tax Credit @ 50% (24 units) & 60% AMHI (92 units); 100% senior (55+); Year built estimated; Elevator
	Contact Sylvia Phone (734) 995-5511 (Contact in person)
Total Units 116 Vacancies 6 Occupied 94.8% Floors 11 Quality Rating B- Waiting List None	
2 William Street Apts.	
	Address 201 W. William St. Ann Arbor, Mi 48104
	Year Built 1954 Renovated 1992
	Project Type Tax Credit
	Comments Tax Credit @ 30% (2 units) & @ 60% AMHI (4 units); Converted single-family home; Year built estimated; No elevator
	Contact Avalon Housing, Phone (734) 663-5858 (Contact in person)
Total Units 6 Vacancies 0 Occupied 100.0% Floors 2.5 Quality Rating B Waiting List 2-3 years	
3 Cornerhouse Lofts	
	Address 205 S. State St. Ann Arbor, MI 48104
	Year Built 2003
	Project Type Market-rate
	Comments Not a "student-only" property, but majority of tenants are students; Elevator
	Contact Shanon Phone (734) 741-9300 (Contact by phone)
Total Units 64 Vacancies 0 Occupied 100.0% Floors 8 Quality Rating B+ Waiting List 1 year	

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

VWB
vogtwilliamsbowen
RESEARCH

PRICE PER SQUARE FOOT - ANN ARBOR, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
2	William Street Apts.	1	425	\$205 to \$263	\$0.48 to \$0.62
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Courthouse Square	1	504 to 621	\$644 to \$719	\$1.16 to \$1.28
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
3	Cornerhouse Lofts	1	675 to 800	\$1550 to \$2100	\$2.30 to \$2.63
1	Courthouse Square	1 to 2	803 to 1024	\$813 to \$888	\$0.87 to \$1.01
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
3	Cornerhouse Lofts	1	800 to 925	\$2100 to \$2550	\$2.63 to \$2.76

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Surveyed - July 2007

VWMB
vogtwilliamsbowen
RESEARCH

TAX CREDIT UNITS - ANN ARBOR, MI

STUDIO UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	William Street Apts.	2	425	1	30%	\$299
2	William Street Apts.	4	425	1	60%	\$357
ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Courthouse Square	19	584 - 621	1	50%	\$695
1	Courthouse Square	75	504 - 621	1	60%	\$770
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Courthouse Square	5	803 - 1024	1 - 2	50%	\$875
1	Courthouse Square	17	803 - 1024	1 - 2	60%	\$950

Surveyed - July 2007

VWB
vogtwilliamsbowen
RESEARCH

MARKET RATE UNITS - ANN ARBOR, MI

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
3	Cornerhouse Lofts	40	675 - 800	1	\$1550 - \$2100
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
3	Cornerhouse Lofts	24	800 - 925	1	\$2100 - \$2550

Surveyed - July 2007

Multi-Unit Condominium Housing Supply Survey

We identified and surveyed nine multi-unit condominium housing properties totaling 588 units within the Ann Arbor DSA that met the study's selection criteria. Of these surveyed properties, three are "established" (properties where all units have sold) and six are "active" (properties with unsold condominium product). The following table shows the status of the multi-unit condominium properties included in the field survey:

PROPERTY TYPE	NUMBER OF PROPERTIES	UNITS		
		TOTAL	SOLD	UNSOLD
ESTABLISHED	6	400	400	0
ACTIVE	3	188	141	47
TOTAL	9	588	541	47

There are a total of 400 units in the established properties that were sold between October 1986 and July 2007, and 188 units in the active properties. Of the active properties, 141 units, or 75.0%, were sold between April 2006 and July 2007 (study cut-off date), while 47 units, or 25.0%, remain unsold.

The following table summarizes the absorption trends by multi-unit condominium property type within the DSA:

AVERAGE MONTHLY UNIT SALES	CONDOMINIUM PROPERTY TYPE			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	1	16.7%	0	0.0%
0.5 TO 0.9	3	50.0%	0	0.0%
1.0 TO 1.9	1	16.7%	0	0.0%
2.0 >	1	16.7%	3	100.0%
TOTAL	6	100.0%	3	100.0%

Since January 2000, a total of 197 condominium units sold. This is an average of 2.2 units monthly. The highest number of condominium units sold in any full year since 2000 was 2006 when 66 units sold. This translates into a monthly absorption of 5.5 units. In 2007, the monthly absorption rate through July was even higher at 11.4 units. Prior to 2000, 344 condominium units sold representing 63.4% of all sold units within the DSA through July 2007.

The following table details quality ratings, unit information, and sales data for each multi-unit condominium property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	QUALITY RATING	TOTAL UNITS	SOLD UNITS	UNSOLD UNITS	AVERAGE INITIAL SALE PRICE	AVERAGE MONTHLY UNIT SALES	SALES PERIOD
1	THE ARMORY	A-	13	13	0	\$252,415.00	1.3	9/98 to 6/99
2	WILLIAM STREET TOWNHOMES	A	4	2	0	\$427,642.00	0.8	11/99 to 3/00
3	TOWER PLAZA	A-	296	296	0	\$73,988.00	4.3	8/87 to 4/93
4	SLOAN PLAZA	A+	32	32	0	\$165,566.00	0.9	10/86 to 10/89
5	ASHLEY MEWS BROWNSTONES	A	47	47	0	\$484,130.00	0.8	3/02 to 12/06
6	ASHLEY TERRACE	A	99	60	39	\$383,237.50	3.8	4/06 to 7/07
7	LOFT 322	A	21	17	4	\$424,048.00	2.1	12/06 to 7/07
8	LIBERTY LOFTS	A	68	64	4	\$417,928.42	5.3	8/06 to 7/07
9	ASHLEY MEWS PENTHOUSES	A	8	8	0	\$1,125,000.00	0.2	12/04 to 8/07
TOTAL / AVERAGE		A	588	541	47	\$417,106.10	3.6*	

*Average weighted by sold units

Each surveyed condominium property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. All surveyed properties within the Ann Arbor DSA received A- or higher ratings.

There are 588 condominium units in nine properties, 81 units, or 13.8%, are in two older buildings that were renovated, while the remaining 507 units, or 86.2%, are in seven newly built buildings. The largest of the surveyed properties is Tower Plaza with 296 total units, while the smallest is William Street Townhomes with four total units. The average sized property is 65 units. The surveyed property with the most unsold units is Ashley Terrace with 39 of 99 units available. Surveyed properties range in height from 2.5 to 26 stories.

The average sale prices at the established properties range from a low of \$73,988 at Tower Plaza to a high of \$1,125,000 at Ashley Mew Penthouses. The Ann Arbor DSA average weighted (by unit count) sale price for established properties is \$162,225. The average sale prices at the active properties range from a low of \$383,238 at Ashley Terrace to a high of \$424,048 at Loft 322. The DSA average weighted (by unit count) sale price for active properties is \$400,216. The average weighted sale price for all surveyed condominium units in this study is \$202,723 for established properties and \$264,611 for active properties.

The surveyed property with the highest (fastest) absorption rate is Liberty Lofts with 5.3 sales per month, while the property with the lowest (slowest) rate is Ashley Mew Penthouses with 0.2 sales per month. The DSA average weighted (by sold units) absorption rate for all surveyed properties is 3.6 sales per month. This value is higher than the average weighted absorption rate for all surveyed condominium properties in this study (2.1 sales per month).

The first condominium property within the DSA to be marketed was Sloan Plaza with the first sale being recorded in October 1986.

The following table lists the active condominium properties within the DSA by unit type, number of stories, unit sizes, and sales pricing:

MAP ID	PROPERTY NAME	UNIT DESCRIPTION			BUILDING STORIES	SQUARE FEET	BASE SALE PRICE	PRICE PER SQUARE FOOT
		BR.	BATH	TYPE				
6	ASHLEY TERRACE	0	1.0	GD-EL	10	650	\$175,900 to \$230,000	\$270.62 to \$353.85
		1	1.5	GD-EL		920 to 1,020	\$260,000 to \$350,000	\$282.61 to \$343.14
		2	2.0	GD-EL		1,240 to 1,600	\$360,000 to \$550,000	\$290.32 to \$343.75
		2	2.5	GD-EL		1,500 to 2,700	\$550,000 to \$1,200,000	\$366.67 to \$444.44
7	LOFT 322	2	2.0	GD-EL	4	994 to 1,069	\$380,000 to \$390,000	\$364.83 to \$382.29
		3	2.5	LT-EL		1,978	\$795,000	\$401.92
8	LIBERTY LOFTS	1	1.5	GD-EL	5	825 to 1,199	\$300,000 to \$400,000	\$333.61 to \$363.64
		2	2.0	GD-EL		1,242 to 2,337	\$450,000 to \$700,000	\$299.53 to \$362.32

Unit Type: LT=Loft; RN=Ranch; GD=Garden; TH=Townhouse; EL=Elevator; WU=Walk-up

The above table shows that unit sizes in active properties vary greatly for the same unit type. For example, a two-bedroom/two-bath floor plan ranges in size from 994 to 2,337 square feet. The smallest unit is a studio/one-bath plan at 650 square feet in Ashley Terrace, while the largest unit is a two-bedroom/2.5-bath plan at 2,700 square feet, also in Ashley Terrace.

Most units in active properties are elevator-served garden-style designs in buildings with four to 10 stories. The most common unit type currently for sale is a two-bedroom/two-bath floor plan.

Active properties' sale prices vary greatly as well for the same unit type. For example, a two-bedroom/two-bath floor plan ranges in price from \$360,000 to \$700,000. The lowest priced unit is a studio/one-bath unit for \$175,900 (\$271 per square foot) in Ashley Terrace, while the highest priced unit is a two-bedroom/2.5-bath unit for \$1,200,000 (\$444 per square foot), also in Ashley Terrace.

The following two tables show the distribution of sold and unsold units in active properties by sale price, unit type, and sales rate (absorption):

AVERAGE SALE PRICE	TOTAL UNITS	SOLD UNITS	AVERAGE MONTHLY UNIT SALES*
\$200,000 - \$299,999	7	7	0.4
\$300,000 - \$399,999	106	81	2.4
\$400,000 - \$499,999	75	53	1.0
TOTALS / AVERAGE	188	141	1.8**

*Based on active sales period; active sales period extended to study cut-off date (July 2007).

**Average weighted by sold units

SALE PRICE RANGE	UNSOLD UNIT TYPE				TOTAL	
	GARDEN	LOFT	RANCH	TOWNHOUSE	NUMBER	PERCENT
\$200,000 - \$299,999	0	0	0	0	0	0.0%
\$300,000 - \$399,999	25	0	0	0	25	53.2%
>\$400,000	21	1	0	0	22	46.8%
TOTAL	46	1	0	0	47	100.0%

The most common unit type and sale price range for unsold units in the DSA is an elevator-served garden floor plan ranging in price from \$300,000 to \$399,999 (53.2%). The average weighted (by sold units) absorption rate for all active properties is 1.8 sales per month.

The following appliances are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Range (100.0%)
- Refrigerator (100.0%)
- Dishwasher (100.0%)
- Disposal (100.0%)
- Microwave (100.0%)
- Air conditioning (100.0%)
- Washer/dryer machines (47.4%)
- Washer/dryer hook-ups (100.0%)

The following amenities are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Carpet (52.6%)
- Ceiling fan (11.2%)
- Window treatments (100.0%)
- Balcony (100.0%)

The following common amenities are included in the surveyed active properties for use by residents (frequency indicated by percentage of all active units):

- Fitness center (47.4%)
- On-site management (36.2%)
- Elevator (100.0%)

The following information relates to association fees in active properties:

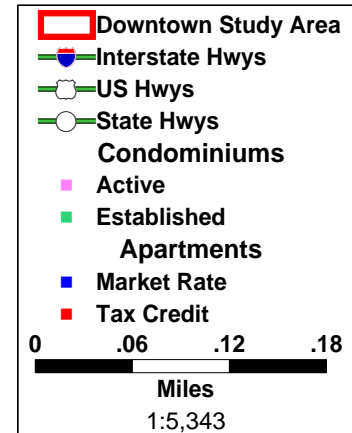
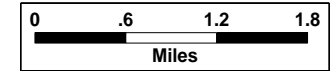
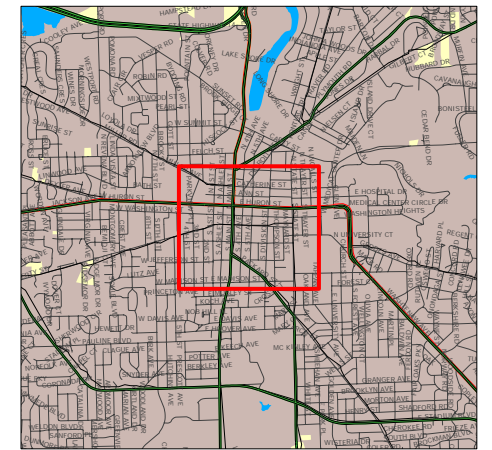
- Average monthly per unit fee for all active properties: \$365
- Range of monthly per unit fees for all active properties: \$199 to \$550
- Items covered by fees (frequency indicated by percentage of all active units): landscaping (100.0%), trash removal (100.0%), snow removal (100.0%), paved area maintenance (100.0%), and water and sewer (88.8%)

Parking in active properties is distributed as follows: 98.9% of units receive one space in a concrete parking garage structure, while 1.1% of units receive two spaces in a concrete parking garage structure.



An abbreviated field survey of all multi-unit condominium properties in the Ann Arbor DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type (active or established), date of first and last sale, number of floors, total units, sales rate, units sold and unsold, and presence of an elevator.
- A summary of the number of properties surveyed, the aggregate number of units sold, and aggregate sales by year.
- A summary of active properties including unit descriptions, unit sizes, parking arrangements, price, and price per square foot.
- A list of active properties indicating sales by unit type.

Ann Arbor, MI: DSA Boundary with Surveyed Properties



SURVEY OF CONDOMINIUM PROPERTIES - ANN ARBOR, MI

1	The Armory					
	Location	223 Ann St. Ann Arbor, MI 48104	First Sale:	9/24/1998	Sales Rate*	1.3
			Last Sale:	6/18/1999	Total Homes	13
	Developer	Armory Development Company				
	Phone					
	Comments	No elevator				
					Floors	2.5
2	William Street Townhomes					
	Location	208-214 W. William St. Ann Arbor, MI 48104	First Sale:	11/1/1999	Sales Rate*	0.8
			Last Sale:	3/1/2000	Total Homes	4
	Developer	Tahoe Holdings, LLC				
	Phone					
	Comments	No elevator				
					Floors	3
3	Tower Plaza					
	Location	555 E. William St. Ann Arbor, MI 48104	First Sale:	8/27/1987	Sales Rate*	4.3
			Last Sale:	4/22/1993	Total Homes	296
	Developer	Choan Limited				
	Phone	(734) 663-7115				
	Comments	26 floors; Elevator				
					Floors	26
4	Sloan Plaza					
	Location	505 E. Huron St. Ann Arbor, MI 48104	First Sale:	10/1/1986	Sales Rate*	0.9
			Last Sale:	10/1/1989	Total Homes	32
	Developer	Sloan Plaza Partnership				
	Phone	(734) 994-5000				
	Comments	Elevator				
					Floors	8
5	Ashley Mews Brownstones					
	Location	Ashley Mews Ann Arbor, MI 48104	First Sale:	3/22/2002	Sales Rate*	0.8
			Last Sale:	12/18/2006	Total Homes	47
	Developer	Ashley Mews, LLC				
	Phone	(734) 665-9800				
	Comments	Eight units sold at \$100,500 through the Washtenaw Affordable Housing Corp.; No elevator				
					Floors	3

* Calculated based on active sales period. For active projects, active sales period extends to current month

■ Active

■ Established

Surveyed - July 2007

VWB
vogtwilliamsbowen
RESEARCH

SURVEY OF CONDOMINIUM PROPERTIES - ANN ARBOR, MI

6	Ashley Terrace					
	Location	202 W. Huron St. Ann Arbor, MI	First Sale:	4/1/2006	Sales Rate*	3.8
			Last Sale:	8/4/2007	Total Homes	99
	Developer	Joseph Freed Homes			Homes Sold	60
	Phone	(734) 662-7000			Available Homes	39
	Comments	10 floors, floors 3-10 are residential; 99 condominiums with 60% sold; Elevator			Planned Homes	0
					Floors	10
7	Loft 322					
	Location	322 E. Liberty St. Ann Arbor, MI 48104	First Sale:	12/5/2006	Sales Rate*	2.1
			Last Sale:	6/1/2007	Total Homes	21
	Developer	Lofts 322 LLC			Homes Sold	17
	Phone	(734) 761-3060			Available Homes	4
	Comments	Elevator			Planned Homes	0
					Floors	4
8	Liberty Lofts					
	Location	315 2nd St. Ann Arbor, MI 48104	First Sale:	8/13/2006	Sales Rate*	5.3
			Last Sale:	6/8/2007	Total Homes	68
	Developer	Morningside Group			Homes Sold	64
	Phone	(313) 595-7833			Available Homes	4
	Comments	Contains vacant commercial space; Formerly the King-Seely Building complex; Elevator			Planned Homes	0
					Floors	5
9	Ashley Mews Penthouses					
	Location	414 S. Main St. Ann Arbor, MI 48104	First Sale:	12/1/2004	Sales Rate*	0.2
			Last Sale:	8/15/2007	Total Homes	8
	Developer	Sydeco Plaza, LLC				
	Phone	(734) 761-3040				
	Comments	Prices represent shell sales; Located above commercial space; Elevator				
					Floors	9

* Calculated based on active sales period. For active projects, active sales period extends to current month

Active

Established

Surveyed - July 2007

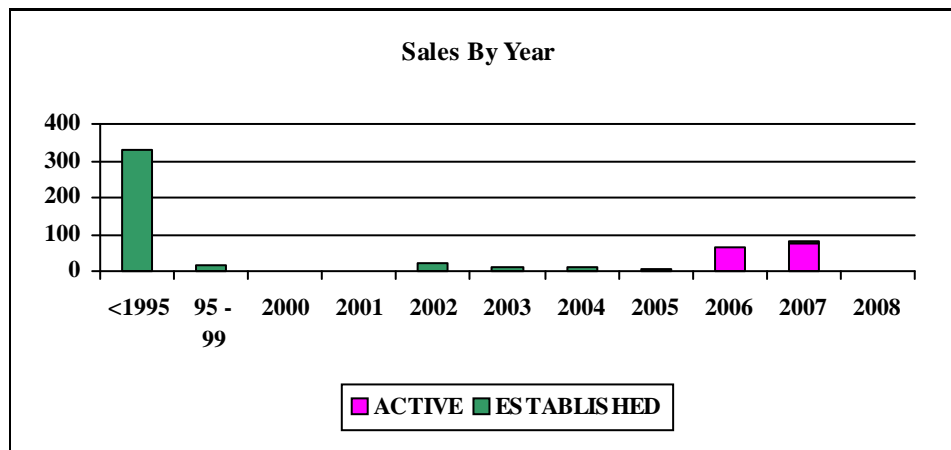
VWB
vogtwilliamsbowen
RESEARCH

STATUS OF PROJECTS SURVEYED - ANN ARBOR, MI

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	3	188	141	47	0
ESTABLISHED	6	400	400	0	0
TOTAL	9	588	541	47	0
* Active totals include both sold-out and active phases. Established totals reflect projects that have sold out units in all phases.					

UNIT SALES BY YEAR - ANN ARBOR, MI

YEAR	UNITS SOLD		TOTAL SALES	AVERAGE MONTHLY SALES
	ESTABLISHED PHASES	ACTIVE PHASES		
< 1995	328	0	328	
1995 - 1999	16	0	16	1.3
2000	1	0	1	0.1
2001	0	0	0	0.0
2002	19	0	19	1.6
2003	12	0	12	1.0
2004	12	0	12	1.0
2005	7	0	7	0.6
2006	3	63	66	5.5
2007	2	78	80	11.4
TOTAL	400	141	541	1.4 *
* - AVERAGE MONTHLY SALES FROM 2000 TO 2006				



Surveyed - July 2007

PRICE ANALYSIS - ANN ARBOR, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION				SQUARE FEET	PRICE	PRICE PER SQUARE FOOT
		BR	BATHS	STYLE	PARKING			
6	Ashley Terrace	0	1	GARDEN ELEVATOR	G / 1	650	\$175,900 - \$230,000	\$270.62 TO \$353.85
		1	1.5	GARDEN ELEVATOR	G / 1	920 TO 1020	\$260,000 - \$350,000	\$282.61 TO \$343.14
		2	2	GARDEN ELEVATOR	G / 1	1240 TO 1600	\$360,000 - \$550,000	\$290.32 TO \$343.75
		2	2.5	GARDEN ELEVATOR	G / 1	1500 TO 2700	\$550,000 - \$1,200,000	\$366.67 TO \$444.44
7	Loft 322	2	2	GARDEN ELEVATOR	G / 1	994 TO 1069	\$380,000 - \$390,000	\$364.83 TO \$382.29
		3	2.5	LOFT	G / 2	1978	\$795,000	\$401.92
8	Liberty Lofts	1	1.5	GARDEN ELEVATOR	L / 1	825 TO 1199	\$300,000 - \$400,000	\$333.61 TO \$363.64
		2	2	GARDEN ELEVATOR	L / 1	1242 TO 2337	\$450,000 - \$700,000	\$299.53 TO \$362.32

 Active
 Established

PARKING
 A - Attached C - Carport
 D - Detached L - Lot/Surface
 G - Parking Garage

Surveyed - July 2007



 v o g t w i l l i a m s b o w e n
 RESEARCH

UNIT ANALYSIS - ANN ARBOR, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION			SALES INFORMATION			PERCENT SOLD
		BEDROOMS	BATHS	STYLE	TOTAL AVAILABLE	PLANNED		
6	Ashley Terrace	0	1	GARDEN ELEVATOR	7	0	0	100.0%
		1	1.5	GARDEN ELEVATOR	49	21	0	57.1%
		2	2	GARDEN ELEVATOR	35	14	0	60.0%
		2	2.5	GARDEN ELEVATOR	8	4	0	50.0%
7	Loft 322	2	2	GARDEN ELEVATOR	19	3	0	84.2%
		3	2.5	LOFT	2	1	0	50.0%
8	Liberty Lofts	1	1.5	GARDEN ELEVATOR	38	1	0	97.4%
		2	2	GARDEN ELEVATOR	30	3	0	90.0%
					188	47	0	75.0% *
* - AMONG UNITS AVAILABLE OR UNDER CONSTRUCTION								

 Active
 Established

Surveyed - July 2007


 vogtwilliamsbowen
 RESEARCH

Planned Multi-Unit Developments

According to city building and planning officials, there were seven multi-unit housing properties pending city approvals that had not started construction by July 2007 (study cut-off date) within the Ann Arbor DSA. The following table provides summary information on these planned properties:

PROPERTY NAME & LOCATION	DEVELOPER	PROPERTY TYPE	TOTAL UNITS	PROPERTY DETAILS	PROJECTED OPENING
TIERRA ON ASHLEY 200 S. ASHLEY	TIERRA EQUITIES, LLC	CONDO/ MIXED USE	6	SITE TO BE CLEARED 26,000 SF COMPLEX	SPRING 2009
METRO 202 202 S. DIVISION	MCKINLEY COMPANY	CONDO	44	14-STUDIO'S/30-2BR'S 9 STORIES	UNKNOWN
GALLERY LUXURY FLATS 414 N. MAIN ST.	NORTH MAIN/FOURTH VENTURES, LLC	CONDO/ MIXED USE	95	OLD CHURCH CONVERSION- 1 to 3BR'S	SUMMER 2010
KINGSLEY LANE 111 W. KINGSLEY	KINGSLEY PARTNERS	CONDO/ MIXED USE	46	1 BR'S (515 SF) 2 BR'S (1,945 SF)	SUMMER 2010
CITY CENTRE LOFTS 401 E. WASHINGTON	MCKINLEY COMPANY	CONDO/ MIXED USE	106	121,122 SF COMPLEX 10 STORIES	UNKNOWN
WILLIAM ST. STATION 350 S. FIFTH	XY, LLC	TAX & MRR/ MIXED USE	160	FORMER YMCA BLDG 100 TAX/60 MRR	DECEMBER 2009
COLLEGIAN BUILDING 333 MAYNARD	LORNE J. DARNELL, LLC	MRR/ MIXED USE	27	ADDITION	UNKNOWN
TOTAL		7	484		

There are two new multi-unit rental housing properties totaling 187 units and five new multi-unit condominium housing properties totaling 297 units planned for the Ann Arbor DSA. Combined, this represents a total of seven multi-unit housing properties with 484 total units for an average size of 69 units per planned property.

Summary

From our research and field survey, the following table summarizes the multi-unit housing supply within the Ann Arbor DSA that met the study's selection criteria:

PROPERTY TYPE	PROPERTIES				UNITS			
	PLANNED	BEING BUILT	BUILT	TOTAL	PLANNED	BEING BUILT	BUILT	TOTAL
RENTAL	2	0	3	5	187	0	186	373
CONDOMINIUM	5	1	8	14	297	99	489	885
TOTAL	7	1	11	19	484	99	675	1,258

Combined, there are a total of 19 multi-unit housing properties planned, being built, or built in the Ann Arbor DSA representing 1,258 total units. Of these 1,258 units, 484 (38.5%) are planned, 99 (7.9%) are being built, and 675 (53.6%) are built.